

SENATE BILL 2793

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 8,
Chapter 27, Part 3, relative to local education
employee insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-303, is amended by deleting subsection (j) in its entirety and substituting the following:

(j) Beginning July 1, 2008, each local education agency shall pay on behalf of each eligible employee, as defined in Section 8-27-302(e)(2), participating in the health insurance coverage authorized by Section 8-27-302(a), a minimum of fifty percent (50%) of the premium collected on behalf of such employee. If during the 2007-2008 fiscal year the LEA paid less than eighty percent (80%) of the premium collected on behalf of such employee, then increased state Basic Education Program funds for the fiscal year 2008-2009 generated by the "insurance premium" component shall be used to increase the LEA payment on behalf of each participating employee who received less than eighty percent (80%). If during the 2007-2008 fiscal year the LEA paid at least eighty percent (80%) of the premium collected on behalf of such employee, then increased state Basic Education Program funds for the 2008-2009 fiscal year generated by the "insurance premium" component shall be used to increase professional employee compensation or fringe benefits. Distribution of a like amount to each eligible employee through a flexible spending arrangement authorized by Section 125 of the federal Internal Revenue Code shall satisfy the requirement of this subsection (j). Such amounts shall be certified to the commissioner of education and director of each local education agency by the local education insurance committee each fiscal year.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.